

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED TARIFF OF BOONE COUNTY WATER) CASE NO.
AND SEWER DISTRICT FOR SEWER CAPACITY FEE) 91-374

O R D E R

IT IS ORDERED that Americoal Corporation ("Americoal") shall file the original and 11 copies of the following information with the Commission with a copy to all parties of record no later than May 25, 1992. If the information cannot be provided by this date, Americoal should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission. Americoal shall furnish with each response the name of the witness who will be available at the public hearing for responding to questions concerning each item of information requested.

1. State Edward W. Bessler's educational background and experience in the following areas:

- a. water and sewer utility rate design
- b. utility financing

2. Refer to Mr. Bessler's Prefiled Testimony, Question 16.

- a. Explain the phrase "cost of expansion."
- b. Identify what costs are included in the "cost of expansion."

c. Explain how the proposed capacity fee is "not reasonably related to the cost of construction of the main sewer line."

3. a. Identify and describe the "other ways to calculate the [proposed capacity] fee."

b. For each method stated, state the professional or industry organizations which support it.

4. Explain how the proposed capacity fee can be based on the frontage of a lot.

5. a. State whether Americoal recovered capacity or tap-in fees which Boone County Water and Sewer District ("Boone District") previously assessed through the sales price of its lots.

b. If the proposed capacity fee is approved, state whether Americoal intends to recover the fee through the sales price of its lot.

6. If real estate developers may recover the capacity fee through the sales price of their lots, explain what impact, if any, the proposed capacity fee will have on real estate developers.

7. Explain how any real estate development can be undertaken if no sewage treatment capacity for the development exists.

8. a. State whether Mr. Bessler has performed or commissioned any study to determine the monthly service rate to be charged to Southeast Collector Line customers if the proposed capacity is rejected.

b. If yes, provide these studies.

9. a. Identify the specific area within Northern Kentucky in which Mr. Bessler's developments have been located.

b. Identify each development and the entity which provided sanitary sewer service.

Done at Frankfort, Kentucky, this 18th day of May, 1992.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director, Acting